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September 7, 2006

The Honorable G. O'Neal Hamilton
Chairman, Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, South Carolina 29211

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SC PUBLIC SERVICE
COMMISSION

Re: Docket No. 2006-92-WS: Application of Carolina Water Service, Inc.
for Adjustment of Rates and Charges for the Provision of Water and Sewer
Service

Dear Chairman Hamilton:

The purpose of this letter is to address issues raised at the night hearings by Carolina Water Service, Inc. ("CWS") customers and to supplement the parties' Settlement Agreement with respect to same.

ORS has a representative of our Consumer Services Department at each night hearing. Also, it is the policy of ORS to contact, either orally or in writing, each customer witness who testifies that he or she has a billing, service or quality issue which has not been resolved. ORS has followed its policy in this docket. ORS also advises customers of their right to file a formal complaint with the Commission.

A total of forty-one CWS customers testified at the four night hearings held in this docket in Lexington and York counties. (CWS has 7,431 water customers and 11,973 sewer customers.) Twenty-seven of those customers voiced opposition or concerns solely regarding the proposed rate increase. Fourteen of the forty-one customers addressed billing, service or quality issues in their testimonies.

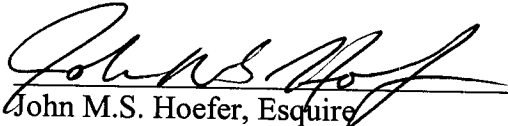
The parties have agreed to file this letter with the Commission as a supplement to their Settlement Agreement on file in this Docket and ask that the Commission accept it as such. We appreciate the opportunity to bring these matters to the attention of the Commission.

Respectfully submitted,



C. Lessie Hammonds
Shannon B. Hudson
Attorneys for ORS

AGREED TO ON BEHALF OF APPLICANT



John M.S. Hoefer, Esquire
Counsel for Carolina Water Service, Inc.

cc: Vice Chairman C. Robert Moseley
Commissioner John E. Howard
Commissioner David A. Wright
Commissioner Randy Mitchell
Commissioner Elizabeth B. Fleming
Commissioner Mignon L. Clyburn
Charles L. A. Terreni, Esquire